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**Supporting artisan communities through social entrepreneurship in  
Kenya: An exploration of Soko**

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**Abstract**

Artisans working in the developing world face substantial challenges including unreliability of income, exploitation by middlemen, and high costs of running their businesses. Founded in 2012 by three women from two continents, Soko is a social enterprise based in Nairobi that connects Kenyan jewellery makers to Western consumers via a mobile phone application and the Internet. It is working to help artisans, the majority of whom are female, bypass the pitfalls of traditional marketing channels by engaging in direct peer-to-peer

trade. This paper draws from literature on social entrepreneurship and the artisan context as well as primary data from interviews and surveys. Using Soko as a case study, it evaluates Soko's social impact in order to generate insights for the wider social entrepreneurship and development communities.

## INTRODUCTION

Craft production is used as a tool throughout the world to preserve tradition, provide income in the informal economy, serve as a form of creative expression and function as a voice of resistance (Dickie and Frank, 1996), yet artisans worldwide face gender and class discrimination alongside exploitation by middlemen and rampant health hazards (Scrase, 2003). In Sub-Saharan Africa in particular, artisans must surmount obstacles including high costs of transporting goods to an urban centre and the large outlay required for individuals to market and export crafts to foreign consumers (Department of Arts, 1998).

Despite the challenges artisans face, there are economic and cultural benefits to working in the handicraft industry. Craftwork allows many people to run their own businesses and provides a source of income for those working within the informal economy, the vast majority of whom are women (USAID, 2005), developing home-based part-time work (International Labour Organization, 2002). Besides this, considering these unique aspects of the industry, artisans often have different definitions of success from other small business owners (Soldersson et al., 1998). These include goals around preserving tradition and creative expression (Paige and Littrell, 2002), as well as gaining autonomy over one's life (Littrell and Dickson 1999).

Soko – a ground-breaking start-up based in Nairobi, Kenya – was launched in 2012 by three female founders from Kenya and the United States (US) to address the challenges and benefits of the craft industry in Africa. Soko directly connects Kenyan artisans – the majority of whom are women – to global consumers, allowing them to bypass the traditional supply chain. Using a mobile phone app, artisans can upload

images of their handmade jewellery to Soko's website, where global customers are able to browse and purchase items. When a product sells, the artisan receives payment via mPesa, a mobile phone-based money transfer service. In a country where 63% of people have access to mobile phones (Communications Commission of Kenya, 2011), with mobile connections growing 30% each year (GSMA, 2011), Soko's technology is positioned for growth within the ICT hub of East Africa.

Soko is more than simply a technology company, however. As a social enterprise, Soko hopes to expand the marketing reach of producers in the developing world, allowing them to engage in global trade while circumventing pitfalls of traditional markets including health, exploitation and difficulty accessing foreign markets (Soko, 2015). As the majority of Soko's artisans are female, and research highlights the significant role women play in development programmes (Boserup, 2011), Soko's gender breakdown could help position it for wider potential impact. This paper explores the case of Soko in order to address the following questions: What social impact is Soko having and what lessons can the wider social entrepreneurship and development communities learn from its example?

## **ARTISANS AND SOCIAL ENTERPRISE**

### Artisan marketing strategies

Soko's primary value proposition is that it grants artisans access to additional markets through its mobile-to-web platform (Sasa, 2013). Thus, it is helpful to understand how artisans traditionally market their crafts in order to differentiate benefits Soko brings to its users. Research has shown a strong link between craft sales

at tourism destinations (Dickie and Frank, 1996) as well as galleries, fairs and exhibitions (Stoddard et al., 2012). In the developing world, the direct person-to-person marketing of crafts may be one of the most important success factors for artisans (Girón, Hernandez and Castañeda, 2007). In Kenya specifically, artisans sell their items in popular tourist destinations to provide a personal interaction between the artisan and buyer while also trying to use mobile phones and the Internet to engage in international trade (Maloney, 2012).

While selling goods abroad may be appealing to African artisans so that they may avoid over-reliance on a single market and the seasonality of tourism, exporting crafts brings its own barriers, including a limited understanding of consumer demand (Lee and Littrell, 2003; Dickie and Frank, 1996). It can be a challenge to sell craft products online to foreign markets because of the Internet's inability to recreate the pleasurable shopping experience of galleries, festivals, markets and retail shows which allow buyers to interact intimately with the product and the producer (Lee and Littrell, 2003; Stoddard et al., 2012).

### Social entrepreneurship and impact evaluation

Soko is focused on achieving social impact through its work supporting Kenyan artisans. In recent years, social entrepreneurship has gained popularity in both academic and popular literature (Christie and Honig, 2006). Mort et al. (2003) and Peredo and McLean (2006) propose that social entrepreneurship involves capitalising upon entrepreneurial characteristics and processes and channelling them towards achieving a social mission. While broadly speaking social entrepreneurship can use business

approaches to address social issues, the scope, scale and ambitions can vary dramatically based upon what the entrepreneurs and their social enterprises seek to achieve. Martin and Osberg (2007) underscore this more nuanced definition, arguing that to define ‘social entrepreneurship’, one must first begin by understanding entrepreneurship. Thus, their definition of social entrepreneurship is distinguished from other social impact work based on the scale of its outcome, echoing the practical definition advanced by Ashoka,<sup>i</sup> that social entrepreneurship involves large-scale system-based change over time (Leviner et al., 2007). This line of thinking draws from Schumpeterian framing of entrepreneurship as a form of ‘creative destruction’ with wide-reaching consequences (Dees, 2001). Aggregating understandings of social entrepreneurship, this paper evaluates Soko based on the extent to which it is using entrepreneurial characteristics to create value around achieving wide-reaching, systemic social change.

Due to the relative recency of academic interest in social entrepreneurship and the multi-faceted nature of what social enterprises are setting out to achieve, there is not yet a common approach for impact assessment (Leviner et al., 2007). Impact investors and groups such as the Acumen Fund, Ashoka and the Schwab Foundation have pioneered the majority of evaluation methodologies, ranging from the Balanced Scorecard to Impact Blueprint to Measuring Effectiveness.

As an up-front impact evaluation (Kramer, 2005), this research draws on the Impact Value Chain (Clark et al., 2004) to evaluate Soko’s aggregate impact by analysing both its outputs and its outcomes, being careful to highlight factors caused by its presence (Figure 1). The Impact Value Chain was selected for its practical application and because identifying the less quantifiable but more broadly reaching

outcomes drills down to systemic-level changes central to this study's definition of social entrepreneurship.

*[Figure 1: Soko's Impact Value Chain highlighting its overall impact – near here]*

## **METHODOLOGY**

This paper explores the findings of primary research conducted in 2013 which included surveys, interviews and focus groups, as well as secondary data from academic literature, practitioner research and field reports. As a participant-observer, one author gained privileged access to Soko's confidential documents and systems, allowing close interaction with artisans.

To generate 'hard data' to understand Soko's users and impact, a quantitative approach was implemented through surveys administered by mobile phone to trial and control groups. The control group comprised as similar a 'twin' group as possible – restricting both sets to artisans living near Nairobi (Stuart and Rubin, 2008). The control group members are considered 'entrepreneurial' artisans because they had shown an interest in selling their items on Soko by signing up for the platform when initially launched. As this group never uploaded products to the website they had not experienced an impact from Soko.

The control and trial group survey were created to assess Soko's impact based on its key social indicators of income, health, technical literacy and education (Sasa, 2013), with proxies inspired by the UN Human Development Reports to allow comparison. Initial text messages inviting survey participation were sent to all 40 active



artisans on Soko's website (May 2013). The survey collected basic demographic information before asking about the education status of the artisan and their family, nature of their craft business, and their access to technology and healthcare. Artisans were incentivized to participate with the chance to win pre-paid mobile phone minutes and 28 completed the survey. Text messages were also sent to the control group who were incentivized by receiving a small mobile credit for airtime upon the survey's completion. While traditional control groups often comprise a random sample (Shedish et al., 2002), drawing from the 85 artisans who had previously interacted with Soko helped to ensure both groups were as similar as possible. The survey was completed by 22 control group participants.

From the qualitative perspective, this research draws from interviews and focus groups with 90% of Soko's artisans. Where possible, conversations were held in the traditional marketplaces where artisans sell their goods, in their workshops or in their homes, to facilitate an understanding of their living and work context and to make them more at ease (Miles and Huberman, 1994). One-on-one interviews were conducted with 24 artisans across Nairobi, two of whom were in the control group because they never uploaded products. With consent, interviewees were tape-recorded and photographed. The four focus groups were organized to capture a cross-section of Soko's members (Miles and Huberman, 1994). Overall, focus groups and interviews collected information on the artisans' background and demographic information before exploring their business literacy and the impact of Soko on their businesses.

#### Data analysis and limitations

Recordings from interviews and focus groups were transcribed to facilitate coding and identification of key themes and patterns running through the conversations (Miles and Huberman, 1994). Recurrent themes which emerged from the interviews are: motivation as an artisan, means of marketing, structure of the business and relationship with Soko. Cross-case examination allowed aggregation of the data via qualitative cluster analysis segmenting artisans and insights around key themes (Guest and McLellan, 2003).

Survey data were analysed using Excel and mSurvey, aiding comparison of results for Soko and non-Soko participants. Triangulation of qualitative and quantitative data helped the researchers to draw conclusions about Soko's social impact on its artisans (Miles and Huberman, 1994), and reflect back to the wider implications of findings for the broader social entrepreneurship context (Creswell and Clark, 2011), informing suggestions for policy and practice.

Possible research limitations revolve around the sample which may not be entirely representative due to self-selection bias (Heckman, 1979). The self-reporting nature of the surveys and interviews could also be problematic as all answers are not likely to be veridical (Stone et al., 2009). Finally, the lead researcher is not from Kenya which could have affected data received during interviews and focus groups because she could be perceived to be an outsider (González and Lincoln, 2006).

## **FINDINGS**

### How Soko works and who it works with

Soko targets artisans working within the informal sector in Kenya by connecting them with the global e-commerce marketplace (Soko, 2015). The social enterprise, now called Soko, was founded in 2012 as ‘SasaAfrica’, based around a mobile-to-web platform that directly connects producers and consumers in a peer-to-peer model of trade. Its three founders, two Americans and one Kenyan, bring a diverse set of experiences working with start-ups, social enterprises and mobile development.

Artisans learned about Soko either because they were recruited from traditional marketplaces by Soko staff or they heard about it from other experienced artisans, whom Soko calls ‘mentors’. Once artisans have signed up they can upload images and information about their products from either the Soko office with the help of staff, or directly from their Android phones using Soko’s mobile application. Once items are vetted by Soko’s team, they are added to the website<sup>ii</sup> where consumers view and purchase their handmade and ethically-produced jewellery. When a product is sold, the item is shipped to the buyer and the artisan receives their asking price via mPesa, the mobile payment service operated by Safaricom.<sup>iii</sup>

As a social enterprise, Soko offers artisans an additional distribution channel for selling their goods; this is where the name ‘Soko’ comes from, which is the Swahili word for ‘marketplace’. Soko hopes to expand the marketing reach of its artisans, putting power in their hands by allowing them to determine prices for their products, to which Soko adds a 35% commission as well as charges for shipping. While the core of the company is the technology behind the platform, Soko also manages the logistics of the operations, including offering monthly training modules for the mentor artisans and coordinating product delivery.

The Soko artisans are diverse, ranging in age, education level, family size, income, sex, and access to technology and healthcare. Table 1 illustrates selected demographic information for each artisan interviewed and includes data gathered from conversations and surveys.

***[Table 1: Background characteristics of research participants – near here]***

Soko artisans bring very different commercial perspectives to their businesses, from producing widely varied types of jewellery to selling their goods through different distribution channels. While more than half have no education beyond primary (9%) or secondary school (47%), they have relevant experience, with nearly 60% having worked in the craft industry for six years or more. They possess diverse skills, with the majority working with glass beads (42%) and metals, such as brass and aluminium (16%). Many also use ceramic beads (12%), bone (9%) and other organic materials. While some artisans focus on a particular type of product, many work with up to three materials. Around three quarters work full-time on their craft business. It is worth noting that there are not significant variances between the male and female artisans in terms of any of the indicators, including average income, years of experience or age.

**Business structure and distribution methods**

The majority (60%) of Soko artisans employ people from their family or wider community in their workshops, while only 29% work alone. The remaining 11% work through community-based organizations. For the majority who employ people from their community and family, the cooperative arrangements are generally created in a

flexible manner by recruiting pieceworkers when artisans receive large orders. As Artisan C explained, ‘We employ people, but when there is no business we cannot afford to pay’. Artisan B added, ‘So we give them piecework’. Artisans often underscore the benefit this employment brings to the wider community: ‘If I were working alone, everything is about me. You must go outside. You are creating jobs for other people’ (Artisan D). The benefits of employment extend throughout the supply chain, from suppliers to producers.

If you get an order and I am getting busy, maybe I can hire somebody. And the people where I get my materials can also hire others. It is a kind of job creation. It is the whole process; it is one way of boosting each other. (Artisan E)

Soko artisans often have diversified distribution channels for marketing their products, on average selling in two different avenues in addition to Soko’s site. Top among ways they market their goods are traditional Masai Markets (30%), foreign clients (19%), networks and friends (16%) and Facebook (13%).

Each distribution channel brings unique challenges. For instance, artisans report that despite the ‘free’ marketing capabilities of Facebook, customers from the site often demand lower prices when the artisans deliver the item to them. Those selling in Masai Markets face exorbitant costs for conducting their business: they must pay for their stalls at the markets, which rotate venues throughout the week. With Soko artisan typically attending three markets per week, rental costs add up rapidly as artisans are charged monthly fees of around 1,500 Kenyan Shillings (KSH) and annual fees of 6,500

per market (Artisan U), as well as additional daily charges of approximate 350 KSH for storage and transport of their goods (Artisan T). It costs artisans, attending three Masai Markets per week, approximately 128,100 KSH, or 1,500 USD a year. Artisan H commented, 'The management takes so much money, so it is like you are getting nothing. At the end of the day you are counting loses'. These figures do not include the additional costs of materials, labour, workshop space, personal transportation or maintenance of equipment necessary to create the crafts' (Artisan X).

In addition to cost, one of the biggest challenges regarding traditional marketplaces is the irregularity of sales because they are predominantly targeted toward tourists. Nearly all artisans interviewed stressed the difficulty of selling at markets in 2013 because of low levels of tourism, as foreigners were hesitant to visit Kenya during a potentially volatile election season.<sup>iv</sup> 'Things [are] very difficult in the market now, and you go and don't sell anything' (Artisan T).

The unreliability of domestic sales makes exporting an appealing option for many artisans. 'In the market you can go and [make] no sale, but if you are given order [from abroad], you are sure that you are doing something' (Artisan Z). For the ten Soko artisans who export, 80% met their clients at Masai Markets, with Artisan Y observing that traditional marketplaces act more as an advertising opportunity than a venue for sales:

We just go there because we know that that's where you can meet [foreign] customers ... It is not about going there to sell. Because you can go to four or five markets in one month, selling very small

things. But once you get an order from outside, you get like an order of half a million Kenyan Shillings. (Artisan Y)

If artisans are able to make 5,800 USD in a single export order but incur high costs attending domestic markets, it seems reasonable that many think of securing reliable foreign clients as the ‘holy grail’ of the craft industry. Soko artisans currently export to at least 11 countries, from the US/Canada (six artisans) and other parts of Africa (six) to Europe (four) and South East Asia (two). Although the eight artisans who regularly export usually do so to multiple countries, they generally receive orders only two to three times a year, with no guarantee of repeat business. For instance, Artisan T commented ‘I had a client in the Netherlands, but then she became sick. Lately, she has not been able to send [orders]’. Considering the high costs of selling within domestic markets and the unpredictability of exporting directly to clients, Soko seems well positioned to provide an important supplementary sales channel.

### Framing success

Sales are essential for Soko artisans because they provide income that keeps their businesses alive. For most, however, sales are not an end, but a means. Artisans tend to stress why income from their craft is useful as a tool for moving their families and businesses forward. For instance, Artisan T states:

My business is successful when I get more customers and sell so that I can be able to get more income to help my children... If Soko

can help me sell my items, I can continue to take them back to school.

For many, there is an emphasis on not only the volume of sales achieved, but the consistency of transactions, since the craft industry is defined by its unpredictability and seasonal fluctuations (Artisan X).

The most important indicator for Soko artisans seems to be how, as well as keeping artisans' businesses operating, income from sales can cause ripple effects that spread economic benefits throughout their community. As most artisans hire people from their family and wider society in their workshops, they carry an implicit sense of responsibility to share benefits of their work. Artisan X, for instance, discusses the success of his business in terms of how it enables him to employ people: 'I need to support more people, I need to support more youths, not me and my pocket. I feel good when we are many.'

In addition to sales, Soko artisans conceptualize their success in terms of creative and skills development. As artists, they want to know that their designs are well received and unique. 'I will be happy that this is a jewellery piece but it is also artistic. If you make it big, you can even exhibit in a museum, that is my thinking' (Artisan EE). Soko artisans are ambitious as business owners and as designers, and view the monthly training which Soko conducts as learning opportunities to help advance their businesses. Overall, Soko artisans recognize their dual roles as entrepreneurs and creatives, conceptualising success according to how sales allow them to be a catalyst for economic development and determine how they are evolving as artists.



### Qualitative impact: What the artisans report

Artisans report experiencing an impact from Soko primarily through increasing sales and income, access to Kiva<sup>v</sup> loans, acquiring new skills and gaining expanded networks. These are grouped visually into outputs and outcomes along the Impact Value Chain (Figure 1).

Artisans believe that Soko's overall system simply works. For instance, payment comes on time, delivery of the products makes sense (Artisan O) and it is fair (Artisan B). As Artisan CC describes:

Soko is doing good work because they just say, 'This has been picked, so deliver it.' So it is normally very easy. You just get to the agent, deliver the stuff and payment comes in, and that makes a very big difference. In fact, it is really doing great for us.

Artisans also like working with Soko because they can focus more time on design and production rather than selling their goods. 'Our job is just making the product. But Soko, they already have a market, so we don't have to look for a market ourselves, so I can just focus on designing' (Artisan KK). Even those who had not yet sold products through the site thought that the idea behind it is 'brilliant' (Artisan AA) and has tremendous 'potential' (Artisan KK).

In terms of output generated, some artisans were already experiencing increased sales, income and customers. In an unpredictable industry like handicrafts, the positive benefits most often articulated about Soko included the financial security resulting from diversified income streams. Soko's potential to help artisans expand to new markets is also significant: 'It [is] reaching me to a market that I wouldn't reach alone. That's actually the most important thing that I got from Soko' (Artisan Q). Moreover, accessing distant consumers is something many artisans never thought possible: 'Reaching customers from abroad is something that I had not seen in my life so that made me to like Soko very much' (Artisan BB).

Despite the appeal of reaching new markets and a diversified source of revenue, many pointed out how Soko must still increase its sales before they can truly feel its impact on their lives: 'The success of Soko can be good if we can sell a minimum of 10 orders per week. Then Soko will have an impact and be worthwhile' (Artisan P). Some artisans seemed impatient with the new company, as they invested time and resources in uploading products and attending training programmes but were not seeing the financial or social reward.

While many of these artisans had yet to achieve the level of sales hoped for, they recognised the benefit of being connected to Kiva through Soko. Access to microfinance had allowed them to invest in better quality mobile phones, craft materials and workshop infrastructure. The same artisan who voiced frustration with the low level of sales on Soko noted:

They were able to link us to Kiva to give us small loans to be able to push our work [...] I have a Kiva loan of 20,000 Shillings. I

bought a working table, and you find that it has helped me in trying to expand further because I have a big workshop and I am trying to expand it to be able to accommodate more people. (Artisan P)

Through its affiliation with Kiva, Soko's work has the potential for greater impact by spreading benefits of increased income, access to technology, larger workshops and more employment throughout communities.

In addition to increasing access to sales and financing, Soko acts as a hub for skills development – with some artisans referring to Soko as their 'advisor' (Artisan V). As Artisan L commented, 'They are giving me the attention in a constructive way so you feel like you can have a discussion one-on-one.' Artisans reported learning immensely varied skills through Soko, from how to do photography and personal branding to gaining a better understanding of foreign markets. This educational aspect may have the most notable impact on artisans because it not only improves their work on the Soko website, but also influences other aspects of their businesses. Artisan M noted that what she learned through Soko could be applied to her other marketing channels like Facebook. 'I learned a lot. That was good because it has helped my business [in other avenues]'.

Many artisans reported learning about the importance of creating quality designs and products. As Artisan II puts it, 'I have been forced to improve my quality, because with Soko the products have to be perfect'. They also understood that Soko has different requirements from the local market, and that it has the potential to expand their marketing reach: 'I learned I should make good quality, not quantity [to help] make me be known far away where I was not known' (Artisan T).

In addition to improving the quality of their work, many of the artisans stated that they are becoming more creative designers and artists because of Soko's influence. From improving their designs (Artisan EE) to making their styles better aligned with trends (Artisan O), several artisans reported that Soko was supporting their creative development. 'We have seen that our business is doing well because they are helping us to make more designs. We are more creative [...] through Soko' (Artisan B).

The development of new skills is significant as most are applicable to other aspects of the artisans' businesses. 'What I have learned from Soko is the way of taking the photographs. That is new to me because I didn't know about how to send the images' (Artisan U). With 32% of the artisans exporting or selling their goods over Facebook, improved photography skills enabled them to capture more effectively the essence of their products in images to share online. Several artisans also shared how Soko helps them understand aspects of a foreign market they would not otherwise comprehend: 'We have learned new things from Soko... They have taught us how things will look when doing the marketing, the taste of the customer' (Artisan Z). Artisans also credit Soko for teaching them how to package their products (Artisan V) and calculate the pricing and costing of their goods (Artisan KK). Finally, they stress the impact of learning how to create a personal brand. 'We were taught about branding our own products and being accountable for our products [...] So I have learned a lot about diversifying as an artisan' (Artisan J).

Artisans have also expanded their professional networks through their involvement with Soko. For instance, Artisan II was told of a new Masai Market that was opening in Nairobi. For her, being a part of Soko is significant because 'it has connected us here together, so we get to meet other artisans. Like now ... I know of a

new market’ (Artisan II). The artisans understand the importance of having access to others working in their industry. ‘[Soko] is good because it made me meet so many people. And if we put in practice, we can go further’ (Artisan Z).

In conclusion, many of the artisans reported that the most positive benefits from involvement with Soko are skills development, expanded access to resources (through microloans), and networking opportunities. As the majority of artisans employ others in their workshops, the outcomes of their work have the potential to create ripple effects throughout their communities. Many recognized that by participating in Soko they are planning for their future. ‘I see where it’s going. I understand that a business can sometimes take a while; it isn’t instant. You can’t just wake up one day and things work out. [Soko] is sowing the seeds now’ (Artisan O). As Artisan BB commented:

Soko is a new company. It isn’t looking into lifting you up at the present moment now, but trying to focus ahead on the life for tomorrow. So you have to be with Soko if you are planning for tomorrow.

## **DISCUSSION**

To ascertain whether or not Soko’s involvement has led to measurable changes in artisans’ lives, the authors compared demographic data for Soko and non-Soko artisans. Mapping outputs and outcomes of the ventures along the Impact Value Chain helped to determine specific areas of impact (Figure 1).

### Measuring impact: Comparing Soko and non-Soko groups

There are few significant differences between the groups, although there are variations in practice/behaviour. Soko artisans access the Internet much more often, with 56% going online daily compared with only 33% of the control group. Only 15.6% of Soko artisans never go online compared with 22% of the control group. This is likely to be because the majority of artisans access the Internet using mobile phones, and Soko has helped artisans acquire smartphones through its affiliation with Kiva. The difference may also be due to a greater affinity for technology amongst the Soko artisans group, which could have prompted their involvement with Soko to begin with.

Soko artisans tend to have fewer children (average 1.9) than the control group (2.4), and, in a potentially related vein,<sup>vi</sup> they also tend to be more educated, with 91% of the Soko group having completed education beyond the primary level compared with only 70% of the control group. This could be related to their tendency to access the Internet more often, if attending formal education provided them with information on computer technology.

Income generated from craft businesses varies between the two groups, with 43% of Soko artisans earning more than 5,000 KSH per week, while only 31% of the control group fall within that bracket. In these early stages of Soko with limited trading on the platform, it is difficult to determine whether this variation in income is due to Soko itself or simply because of a difference in the nature of the two groups. Considering Soko's primary role of expanding artisans' marketing reach and facilitating sales, higher income levels may well be attributable to Soko.

### The bigger picture of Soko's impact

Understanding differences between the trial and control groups of artisans helps to isolate which outcomes are the result of Soko's involvement and clarify its impact. While Soko artisans tend to be more educated and have fewer children, these demographic differences are not attributable to Soko as it is too early for it to have affected these metrics. By contrast, differences in Internet access and income levels may well be attributed to Soko through connecting artisans to smartphones and supplementary sales, and are highlighted in the Impact Value Chain (Figure 1).

In addition to differences between the trial and control groups, the self-reported impacts from Soko artisans, such as access to microfinance, new skills and expanded networks, must be taken into account. Soko fulfils the dual role of marketing platform and educator by helping artisans to access new customers and investing in them through skills development and microloans. These resources support other channels of the artisans' businesses as well as the people they employ in their communities. Furthermore, some artisans point to a steadier stream of income as a means for supporting their children to remain in school, which could indicate a potential longer term outcome of future generations being more educated.

Given its outputs and outcomes, the question remains whether Soko is creating systemic change that is fundamental to this paper's understanding of social entrepreneurship. Here it is helpful to reflect on whom Soko is working with, as well as its mission. As individuals who joined an early-stage start-up company, many Soko artisans are leaders, adopters of new technology and change-makers for their

community. As entrepreneurs and employers, they have the potential to spread economic and social impacts of Soko throughout their society. Furthermore, the central idea behind Soko represents a radically disruptive model which gives agency to artisans in the developing world by connecting them directly with consumers to whom they might not otherwise have access. Thus, Soko has the potential to create substantial systemic change because it is supporting trailblazing entrepreneurs within the Kenyan economy, many of whom are women with the potential to play a key role in fostering development and change within their communities.

It is important to note that since this research was undertaken, Soko has continued to develop as a company and incorporated suggestions from this study. In late 2013, Soko pivoted its business model away from one-of-a-kind jewellery pieces towards curated collections made by vetted artisans. This move, combined with high-level partnerships such as with the United Nations Trust Fund to End Violence Against Women (UNTF), meant that as of the last quarter of 2014, Soko fulfilled an average of 5,500 product orders per month, indicating an annual growth rate of over 1300% between 2013 and 2014. Soko appears poised for continued growth.

## **IMPLICATIONS**

This study informs the existing body of research on the craft sector by providing a new perspective on artisans working in the developing world. Findings challenge conventional assumptions of Third World artisans as poor people living on the fringes



(Scrase, 2003), instead shedding light on their position as acute businesspeople who employ diverse channels of distribution and sophisticated methods of marketing.

The demographic information presented highlights the role of artisans as entrepreneurs and employers within their communities. The fact that the majority of these artisans were female underscores the significance of women as agents of change in development (Boserup et al., 2013). The findings echo those of previous studies conducted in developed countries which show high levels of craft sales at tourist destinations (Dickie and Frank, 1996), adding the challenge of relying on tourism in Sub-Saharan Africa, where political volatility can compound seasonal fluctuations in income. Findings also demonstrate the added hurdle incurred in Nairobi due to the costs of selling at traditional marketplaces. In addition to challenging conventional understanding of what role artisans play within society, findings add to our knowledge of how artisans in the developing world frame success (Littrell and Dickson, 1999). While these artisans value the creative expression of their work (Paige and Littrell, 2002), many define success according to their ability to spread economic benefits to others – a fact largely absent from previous research conducted in developed countries.

The research has also generated insights for policy-makers, NGOs and social entrepreneurs. Learning from Soko's example, these groups should consider the importance of targeting entrepreneurs – particularly women – within the informal economy when implementing development programmes. Improving the livelihood of these key players has the potential to lead to significant impact throughout communities if they act as employers and share economic gain. The growing telecoms sector in countries like Kenya could serve as one way to support people operating in the informal economy, and social entrepreneurs should anticipate the significant role that mobile

Internet will have in these contexts (Maloney, 2012; GSMA, 2012). Some could explore capitalising on this trend by adopting the Soko model of facilitating trade directly in other non-craft industries. Finally, social entrepreneurs should learn from Soko's example, being mindful to conceptualize revenue generation as the sustainable means for reaching their goals of creating systemic change (Porter and Kramer, 2011).

To conclude, this study has also identified areas for future research. Given the difficulties many Soko artisans face due to their reliance on tourism for sales, future empirical research could be conducted into ways to market craft products successfully from the developing world, proposing methods for overcoming the difficulties of selling handicrafts online. Specifically, research might be conducted into peer-to-peer trade models like Soko's, including their economic and social effects on both producers and consumers.

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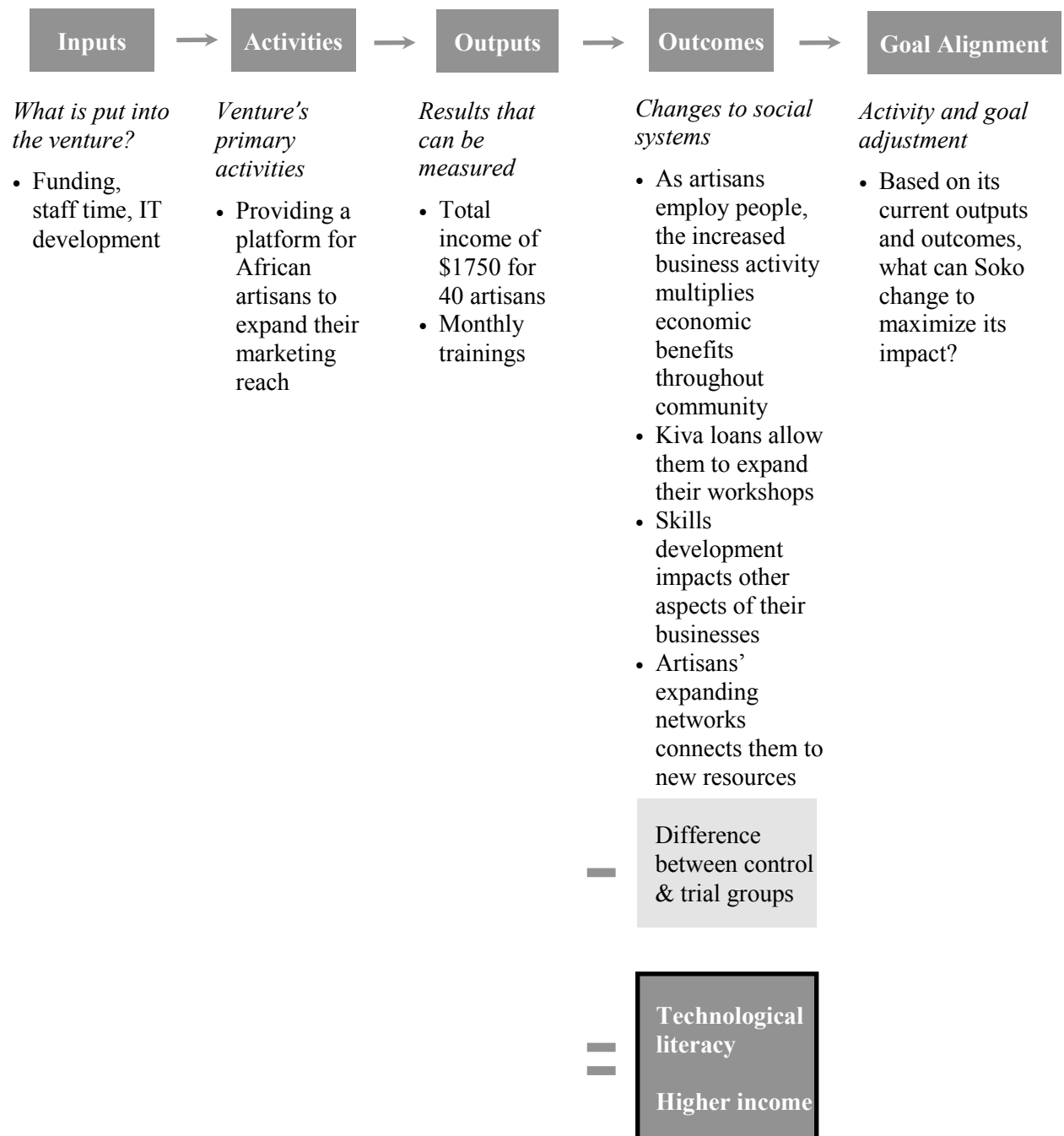
Artisan	Group	Gender	Age	Income KSH	Marketing Channel	Sector Experience
A	Trial	Male	45-49	5,001-10,000		+ 15 years
B	Trial	Female	45-49	501-3,000	Markets, Stores	+ 15 years
C	Trial	Male	45-49	0-500	Markets	11-15 years
D	Trial	Male	20-24	501-3,000	Friends & networks	1-5 years
E	Trial	Male	35-39	5,001-10,000	Friends & networks	6-10 years
F	Trial	Female	35-39	501-3,000	Markets, Stores, Export	6-10 years
G	Trial	Male	25-29	3,001-5,000	Markets, Own store	6-10 years
H	Trial	Female	30-34	3,001-5,000	Markets, Export	6-10 years
I	Trial	Male	40-44	5,001-10,000	Wholesale to domestic artisans, Export	< 1 year
J	Trial	Female	20-24	0-500	Friends & networks	1-5 years
K	Trial	Female	50-54	10,000-20,000	Markets	6-10 years
L	Trial	Female			Facebook	
M	Trial	Female	20-24	501-3,000	Friends & networks, Facebook	1-5 years
N	Trial	Female	30-34	501-3,000	Facebook	1-5 years
O	Trial	Female			Friends & networks, Facebook	
P	Trial	Male	45-49	10,000-20,000	Markets, Export	+ 15 years
Q	Trial	Male			Markets, Own store	
R	Control	Female			Markets, Export	
S	Control	Female			Markets, Export	
T	Trial	Female	50-54	0-500	Markets, Export	+ 15 years
U	Trial	Male	40-44	5,001-10,000	Markets, Hotels	6-10 years
V	Trial	Male	30-34	5,001-10,000	Friends & networks, Own store, Export	1-5 years
W	Trial	Female	30-34	501-3,000	Exhibitions, Tour groups	6-10 years
X	Trial	Male			Markets, Hotels, Export	
Y	Trial	Male	35-39	10,000-20,000	Markets, Exhibitions, Export	6-10 years

Artisan	Group	Gender	Age	Income KSH	Marketing Channel	Sector Experience
Z	Trial	Male			Markets, Tour groups, Export	
AA	Trial	Male	35-39		Markets, Wholesale to domestic artisans, Export	6-10 years
BB	Trial	Female	30-34	3,001-5,000	Markets, Exhibitions, Stores, Export	11-15 years
CC	Trial	Female	45-49	501-3,000	Events	1-5 years
DD	Trial	Female	25-29		Friends & networks	1-5 years
EE	Trial	Female	25-29	501-3,000	Friends & networks, Facebook	6-10 years
FF	Trial	Female	25-29	0-500	Friends & networks, Facebook	< 1 year
GG	Trial	Female	20-24	501-3,000		1-5 years
HH	Trial	Female	50-54	Over 20,000	Markets, Export	+ 15 years
II	Trial	Female	19 or below	501-3,000	Friends & networks, Stores, Facebook	1-5 years
JJ	Trial	Female	25-29	0-500		< 1 year
KK	Trial	Female	25-29	501-3,000	Facebook	1-5 years
LL	Trial	Female	45-49	0-500		11-15 years

**Table 1:** Background characteristics of research participants

Source: Interviews and survey. Note that select information is missing because some artisans were interviewed but did not complete the survey or vice versa.





**Figure 1:** Soko's Impact Value Chain highlighting its overall impact

Source: Based on model from Clark, et al., (2004) and adapted by authors

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## ENDNOTES

<sup>i</sup> Ashoka is the world's largest network of social entrepreneurs.

<sup>ii</sup> See [www.shopsoko.com](http://www.shopsoko.com)

<sup>iii</sup> Safaricom is the mobile provider with the largest market share in Kenya, with estimates ranging from 76% to 88% of Kenya's 2G market (Mark, 2013).

<sup>iv</sup> There was tribal and ethnic violence throughout Kenya following its election in 2007.

<sup>v</sup> Kiva is a global microfinance provider.

<sup>vi</sup> There is an extensive body of research into the correlation between higher education and lower birth rates in the developing world. See: United Nations Department of Economic and Social Affairs, 2003.